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August 28, 2001

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VIA HAND DELIVERY

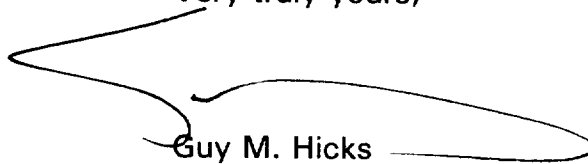
David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: *Tariff to Introduce CCS7 Access Arrangement Service*  
Docket No. 01-00440

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of BellSouth's responses to the Staff's Data Request of July 25, 2001. Copies of the enclosed are being provided to counsel of record.

Very truly yours,



Guy M. Hicks

GMH:ch  
Enclosure

REQUEST: Provide supporting calculations demonstrating the Tariff's compliance with the revenue cap for nonbasic services set forth in T.C.A. § 65-5-209(d) and the revenue cap for interconnection services set forth in T.C.A. § 65-5-209(g).

RESPONSE: This tariff has been withdrawn, and no customer was billed pursuant to this tariff. Because no customer was billed, no revenue change resulted. Moreover, BellSouth did not perform such supporting calculations when it filed the tariff.

To the extent the Authority is requiring BellSouth to now make calculations demonstrating the tariff's compliance with the revenue cap for nonbasic services set forth in T.C.A. § 65-5-209(d) and the revenue cap for interconnection services set forth in T.C.A. § 65-5-209(g) for a tariff that has been withdrawn, BellSouth objects.

*See BellSouth Telecommunications, Inc. v. Bissell*, 1996 WL 557846 (Tenn. Ct. App. October 2, 1996) ("We think the PSC's decision to continue the investigation is simply arbitrary, a decision 'that is not based on any course of reasoning or exercise of judgment.' ... We do not think the legislature intended to authorize the PSC to continue an investigation that no longer had any purpose." *Id.* at \*2)

Subject to and without waiving its objection, BellSouth states that it did submit proprietary cost and revenue information with the tariff on May 16, 2001 in connection with the tariff filing. The proprietary revenue information sets forth (see page one) an estimate of the revenue that would have been generated by the tariff had it gone into effect. BellSouth had more than this amount of headroom available under its price regulation plan as of the date the tariff was filed.

REQUEST: In the Tariffs' executive summary, Bellsouth states "[t]his tariff filing introduces a new service offering called BellSouth CCS7 Access Arrangement." At the oral arguments held on July 24, 2001 BellSouth's counsel characterized the Tariff as a price increase for an existing service – continued access to SS7 functionality for nonlocal/intrastate calls. Explain why BellSouth categorized the Tariff as a new service offering when the Tariff represents a price increase for a customer's continued access to SS7 functionality for nonlocal/intrastate calls. Also include in your response BellSouth's definition of a "new service offering."

RESPONSE: The tariff filing introduced a new tariff that sets forth the rates, terms, and conditions that would have applied to CCS7 services BellSouth provides for intrastate, nonlocal calls had the tariff been implemented. Because BellSouth had not been charging for these services and because it did not have an intrastate tariff addressing this functionality at the time of the filing, the personnel who prepared the tariff filing package assumed that this tariff would have constituted a new service under Tennessee law. In its Order Approving BellSouth Telecommunications, Inc.'s Tariff Filing to Offer National Directory Assistance entered on November 5, 1998 in Docket No. 98-00298, however, the TRA stated that

Rule 1220-4-2-.55 suggests that if a customer's service automatically converts, it is an existing service, such as when a service is displaced by an upgrade or replacement service. Conversely, one may reasonably conclude, as we do herein, that service offerings that require no automatic conversions are, in fact, new service offerings. Prior to the approval and operation of this tariff, no BellSouth customer is capable of obtaining this [national directory assistance] service from BellSouth. By applying

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analogously the TRA's new services test as articulated in Rule 1220-4-2-.55 to BellSouth's NDA tariff, the Authority has concluded that it should be treated as a new service.

Under the foregoing definition, the CCS7 tariff did not constitute a new service.

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**REQUEST:** Provide a copy of the notice sent to customers informing them of the price increase associated with the Tariff. If customers were not notified, explain why BellSouth did not provide this notice.

**RESPONSE:** Although not required to do so, BellSouth posted public notice on its website at the time of filing with the Authority. BellSouth is not required to send a notice to its CCS7 customers notifying them of the price increase associated with the CCS7 tariff because the rates, terms, and conditions of the tariff do not apply to the average residential and business customer served by BellSouth. See Rule 1220-4-1-.05(2).

### CERTIFICATE OF SERVICE

I hereby certify that on August 28, 2001, a copy of the foregoing document was served on the following parties, via the method indicated:

☒ Hand  
☒ Mail  
☐ Facsimile  
☐ Overnight

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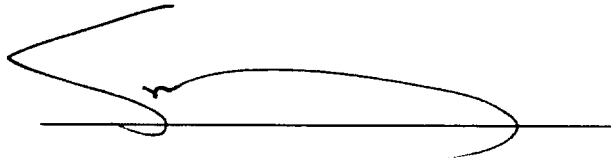
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A handwritten signature in black ink, consisting of a large, stylized 'S' or 'W' shape, followed by a horizontal line extending to the right.